Power to levy tax on transfer of goods from one State to other

2227. SHRI VIRENDRA VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that with the 46th amendment to the Constitution in 1983 vesting powers to levy tax on transfer of goods from one State to the other with the Central Government to avoid evasion of taxes and to augment the resources of the State Governments, an amendment to the Sales Tax Act, 1956 or a new legislation in this regard was required to be done in order to achieve the aims and objects envisaged in the amendment to the Constitution;

(b) if so, what are the reasons for delay in bringing suitable legislation in this regard despite requests from the various State Governments and the recommendations made at the Chief Ministers Conference held on 24.3.84 and 28-5-84 and also by the Planning Commission and the National Development Council; and

(c) when the requisite legislation is proposed to be brought forward by the Government?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) to (c) There were reports from various State Governments to whom the revenues from Central sales tax have been assigned as to large scale avoidance of Central sales tax leviable on inter-State sales of goods through the device of consignment of goods from one State to another. The Constitution was, therefore, amended through the Constitution (Forty-sixth Amendment) Act, 1982 to enable inter-alia the levy of tax on inter-State consignment of goods. The matter was discussed in the Chief Ministers' Conference hed in New Delhi on 2.11.1983 and on 28th May, 1984. The latter Conference recommended by consensus different aspects of framing a legislation for taxing inter-State consignment of goods. As some of the issues involved are required to be sorted out, it has not been possible yet to take final decision.

Rate of inflation

2228. DR. BAPU KALDATE:
SHRI M. S. GURUPADASWAMY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the inflation rate has been going up recently;

(b) what was the rise in first few weeks of 1987-88;

(c) whether this is more than what it was in 1986-87; and

(d) what are the main reasons for such steep rise in the rate of inflation?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) to (d) The rate of inflation in terms of W.P.I. during the 17 weeks of the current financial year ending 25th July, 1987 (latest available) was 6.2 per cent as against 5.6 per cent in the corresponding period of 1986-87.

The pressure on prices at this time of the year has been mainly caused by seasonal factors, which has been aggravated by the drought conditions.

Companies having interest of Reliance Industries Ltd. in Isle of Man

2229. DR. BAPU KALDATE:
SHRI M. S. GURUPADASWAMY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Enforcement Directorate had investigated into the companies having interest of Reliance Industries Ltd. in Isle of Man;